



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 3, 2001

Donell Adair
Gold Canyon Mining and Development Company
25 East 200 South
P.O. Box 122
Mayfield, Utah 84643

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Gold Canyon Mining and Development Company, A to Z Minerals Project, S/023/075, Juab County, Utah

Dear Mr. Adair:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on July 26, 2001. The proposed A to Z Minerals Project is located in the E1/2 of the SE1/4 of the NE1/4 of Section 21 and a portion of Section 22, T16S, R1W, SLBM, Juab County, Utah.

A variance was requested for item #10 of the reclamation practices stating no topsoil was available. A site inspection was performed on August 1, 2001, to verify if the variance could be granted. It was found that there is no appreciable topsoil to be salvaged; therefore, the variance is granted. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

The application is considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined, provided you have satisfied the Bureau of Land Management (BLM) requirements and received written approval from the Fillmore Field Office.** We have forwarded a copy of your notice to the BLM for their review.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

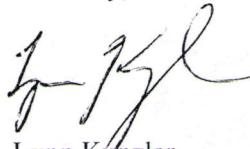
The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. Whenever a member of the Division staff is in the area, we will examine the site. We will try to abide by your desire that hard hats be worn when on site. Best wishes with your mining operation. Tom Munson will be the lead over your project. If you have any questions or concerns regarding your mining operation, please contact Tom at (801) 538-5321.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynn Kanzler', with a stylized flourish at the end.

Lynn Kanzler
Senior Reclamation Specialist

jb

cc: Larry Garahana, BLM, Fillmore FO
Tom Munson, DOGM
S23-75-apv.doc